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PRESS RELEASE

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Former Government Sub-Contractor Pleads Guilty To Stealing \$1.8 Million From NIH Project

WASHINGTON - Nicole Shantelle Smith, a former government sub-contractor, pleaded guilty today to stealing \$1,885,650 from funds appropriated to the National Institutes of Health (NIH) for various construction projects at the Bethesda, Md. campus. The guilty plea was announced by U.S. Attorney Ronald C. Machen Jr. and Special Agent in Charge Christopher Cherry of the General Services Administration's Office of the Inspector General.

Smith, 38, of Upper Marlboro, Md., pleaded guilty in the U.S. District Court for the District of Columbia before the Honorable Judge Reggie B. Walton to a one-count Information that charged her with theft of government property. She is scheduled to be sentenced on January 21, 2011. Smith faces a maximum sentence of 10 years imprisonment, an order of restitution and a fine in excess of \$3 million. Under the advisory federal sentencing guidelines, her sentencing range may be 37-46 months of imprisonment.

In pleading guilty, Smith admitted that between July 2004 and September 2007, she created fraudulent General Services Administration (GSA) work orders for services that she was already being paid for. Smith spent most of the stolen funds on personal expenses and extravagances.

Based upon the statement of offense submitted to court by Assistant U.S. Attorney Susan Menzer, GSA had an agreement with NIH to assist in the construction and renovation of research centers throughout NIH's main campus in Bethesda. From 1998 to 2007, she worked as a GSA sub-contractor, providing contract administrative assistance on the NIH project.

Smith worked mostly under two prime contractors, Washington Business Group (WBG), and Project Support Services (PSS). Her duties included preparing work orders and initiating payment for the work. To perform these assignments, she had access to various databases, including the GSA's contractor invoice database and GSA's payment system.

In 2001, Smith formed her own company, NTT Consulting LLC (NTT), with a childhood friend who was also a GSA sub-contractor. Smith positioned NTT as a subcontractor to WBG and PSS on GSA contracts. The statement of offense cited four instances in which Smith abused her position of trust and systems access at GSA to fabricate work orders and direct corresponding payments for work that NTT had already had been paid.

GSA paid WBG and PSS for the fictitious work orders. The firms, in turn, dispersed the funds into NTT's bank account. Ultimately, Smith overbilled the NIH project by \$1,885,650.

In announcing the guilty plea, U.S. Attorney Machen and GSA OIG Special Agent in Charge Cherry commended the outstanding investigative work of Special Agent Ronald Dawkins, and Forensic Accountant Maria Boodoo and the legal administrative assistance of Jared Forney. They also praised the work of Assistant U.S. Attorney Susan B. Menzer who is prosecuting the case.

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